



Tracie M. Riggs  
County Administrative Officer

## County Administration Office

“We Support the Board of Supervisors in achieving their goals through service & collaboration with the County Departments and the Community”

June 21, 2022

Assistant County  
Administrator  
Eric Erhardt

Capital Projects  
Director  
Maureen Frank

Senior Administrative  
Analyst  
Liz Peterson

Office of Emergency  
Services Coordinator  
Dore Bietz

Homeless Services  
Coordinator  
Michael Roberson

Purchasing &  
Contract Analyst  
Simi Bhangoo

Administrative  
Analysts  
Mervet Mitri  
Tracey McKnight  
Mark Fischer

Executive Assistant/  
Deputy Clerk of the  
Board  
Christina Cunha

Board Clerk  
Heather Ryan

Executive Clerk  
Jessica Alley

TO: Board of Supervisors  
FROM: County Administrative Staff  
SUBJECT: FY 2022/23 Recommended Budget

The State Budget Act requires local elected legislative bodies to pass a recommended budget before July 1<sup>st</sup> and an adopted budget by October 2<sup>nd</sup>. Approval of the recommended budget provides the necessary spending plan until the budget is formally adopted. The public hearing for the FY 2022/23 Budget Public Hearing is tentatively set for September 20th.

Each year, the Board of Supervisors establishes a clear set of priorities that provides direction for development of the Recommended and ultimately the Adopted Budget. The five strategic priorities are:

- Fire Prevention and Safety
- Community Health and Prosperity
- Employee Excellence and Organization Resilience
- Public Safety
- Roads and Infrastructure

The FY 22/23 Recommended Budget maintains these priorities. This budget does not include any reductions in services or staffing for the coming year. This memo provides a summary of changes by fund and department. A presentation will also be provided to the Board on June 21<sup>st</sup> illustrating how this recommended budget aligns with the above strategic goals.

Comparison between FY 21/22 Adopted Budget and FY 22/23 Recommended Budget

	Adopted FY 2021/22	Recommended FY 2022/23	Change	% of change
<b>General Fund</b>	\$96,253,613	\$102,802,714	\$6,549,101	7%
<b>Governmental Funds</b>	\$207,232,464	\$202,707,228	-\$4,525,236	-2%
<b>Enterprise Funds</b>	\$11,014,667	\$15,295,990	\$4,281,323	39%
<b>Internal Service Funds</b>	\$19,233,093	\$21,569,193	\$2,336,100	12%
<b>Total All funds</b>	\$237,480,224	\$239,572,411	\$2,092,187	0.9%

Overall, the FY 22/23 Recommended Budget has less than a 1% growth over the 2021/22 Adopted Budget. The General Fund is \$6.5 million greater but in total all funds that make up the Governmental Funds are \$4.5 million less. This is primarily due to moving the Solid Waste Fund from a Special Revenue Fund to the Enterprise Funds, which can be seen in the corresponding increase in Enterprise Funds. This was done during the recent change in the county’s accounting and finance software. One of the most significant increases in the General Fund was the increase of the Master Stewardship grants for FY 22/23 of almost \$4.8 million.

**Development of the FY 2022/2023 Recommended Budget**

The annual budget process begins each year as early as January when the Board of Supervisors identifies their collective goals and objectives, which are listed above, during the annual Board Workshop. It is those priorities that give the initial direction to staff as they work throughout the year developing programs and services for the community. To support those programs and services, staff must develop and present a budget for approval based on those priorities to the Board of Supervisors.

The budget development process at the department level begins with the above listed priorities in mind. In prior years, departments would develop their recommended budget and submit it to the County Administrator’s Office for review. The County Administrator’s Office would then compile all departmental submissions and following direction from the Board of Supervisors, develop a balanced budget recommendation for approval by the Board of Supervisors.

This fiscal year, to create greater organizational transparency, engagement, and creative thinking the County Administrators Office established a “Budget Team” comprised of all department heads and their key fiscal staff. The Budget Team has met several times during the development of the budget being presented to the Board of Supervisors.

This year, with the Budget Team established, once departmental budgets, including personnel request, were submitted, the County Administrators Office compiled the data and presented it to the Budget Team for discussion. Following discussion and input from the team, a unanimous recommendation was made to the County Administrator on the development of the recommended budget. The recommended budget before the Board of Supervisors is a culmination of the combined and collaborative efforts of all departments. The final recommendations in this budget have been reviewed and are unanimously supported by budget team with a few additional recommendations from the County Administrators office.

The section below summarizes significant changes to individual cost centers

## **GOVERNMENTAL FUNDS**

### **General Fund Summary**

As outlined above, the General Fund grew by approximately \$6.5 million as compared to the FY 21/22 Adopted budget. One large contributing factor was the increase in grants for the Master Stewardship Agreement program. That increase was approximately \$4.8 million. Some other increases include the rise in the cost of salaries and benefits because of bargaining with labor groups as well as the normal increases built into those labor agreements for annual step increases. That increase is estimated to be approximately \$3.7 million in the general fund for FY 22/23. The General Revenues are estimated to increase by approximately \$2.7 million but departmental revenues, excluding the MSA grant have decreased by approximately \$933,000.

Salaries and benefits in most General Fund Departments have increased when compared to the 21/22 FY Adopted budget. There are several reasons for this increase. Work on the Adopted Budget generally starts in late July or early August. The Recommended Budget process begins in April. By the time we get to the drafting of the Adopted Budget we have already recognized salary savings due to vacancies and have a better understanding of when vacant positions may be filled.

After the approval of the FY 21/22 Adopted Budget, the Board of Supervisors approved amendments to all labor agreements with county employees. Depending on job classification, county employees received a base pay increase of 3%-10%. In addition, longevity incentives changed for many of the bargaining groups. Previously, longevity pay did not start until 10 years of service with the county. Under the new agreements, that incentive begins at 5 years of service and adds an additional 2.5% to the employee's base pay. As a result, employees that have been with the County between 5-9 years received a total pay increase of approximately 5.5%-12.5% based on classification, as compared to the FY 21/22 Adopted Budget.

Furthermore, each job classification has a pay range. Within that pay range are 5 steps. Typically, employees will progress through those steps on the anniversary date of the day they entered that job classification. It generally takes 5 years for an employee to progress through the steps and each step is approximately a 5% pay increase. At the time the 21/22 Adopted Budget was developed, more than half of all county employees were progressing through those steps. What this means is, employees with less than 5 years in their classification received an 8%-15% pay increase as compared to the FY 21/22 Adopted Budget.

Under the prior bargaining agreements, some employees had the option to cash out their holiday leave accruals. This was primarily for those public safety departments that were unable to take the actual holidays off. During recent labor negotiations, some additional classifications are now able to cash out their holiday leave as opposed to taking the time off. As a result, the budget for holiday cash out has increased.

Lastly, beginning calendar year 2022, the county had changed insurance companies for employee health care benefits. The previous insurer's rates were increasing, and the county was able to negotiate with another insurer for similar, and in some cases, improved coverage for the employees at a rate lower than proposed. The cost for calendar year 2022 did increase but not as much as it would have had the county not switched insurers. This helped to limit the cost to employees but did increase the cost to the county.

The table below shows the change in cost for salaries and benefits as compared to the FY 21/22 Fiscal year for the General Fund. The total increase because of bargaining, step increases, and changes to vacancy rates as well as estimated hire dates is approximately \$3.7 million. In addition to the changes discussed above, there is also an increase in PERS Fixed cost and Workers Compensation Insurance bringing the total increase to approximately \$4.9 million. The table below illustrates those changes. The changes by department can be viewed in the attached budget detail reports.

	2022 Adopted Budget	2023 Recommended Budget	Increase	% of Change
Salaries	\$27,532,601	\$30,005,846	\$2,473,245	9.0%
Cash Outs-Holiday	\$336,622	\$449,726	\$113,104	33.6%
FICA	\$2,312,129	\$2,562,575	\$250,446	10.8%
Retirement-PERS Percentage	\$3,681,570	\$3,881,033	\$199,463	5.4%
Deferred Compensation	\$363,660	\$431,426	\$67,766	18.6%
Employees Group Insurance	\$6,369,960	\$6,986,982	\$617,022	9.7%
<b>Subtotal</b>	<b>\$40,596,542</b>	<b>\$44,317,588</b>	<b>\$3,721,046</b>	<b>9.2%</b>
Retirement-PERS Fixed	\$5,793,316	\$6,478,625	\$685,309	11.8%
Workers Comp Insurance	\$2,370,633	\$2,853,425	\$482,792	20.4%
<b>Subtotal</b>	<b>\$8,163,949</b>	<b>\$9,332,050</b>	<b>\$1,168,101</b>	<b>14.3%</b>
<b>Total</b>	<b>\$48,760,491</b>	<b>\$53,649,638</b>	<b>\$4,889,147</b>	<b>10.0%</b>

**General Revenues**

The revenue which the Board has the greatest discretion over comes into the General Fund. The three major discretionary revenue sources are property tax, sales tax, and TOT. The estimated increases for each can be seen in the table below.

	Adopted Budget FY 21/22	Recommended Budget FY 22/23	Change	% of Change
<b>Property Tax</b>	\$22,681,626	\$23,319,972	\$638,346	2.8%
<b>Sales Tax</b>	\$6,620,445	\$6,986,517	\$366,072	5.5%
<b>T.O.T</b>	\$7,200,000	\$8,400,000	\$1,200,000	16.7%
<b>Total</b>	<b>\$36,502,071</b>	<b>\$38,706,489</b>	<b>\$2,204,418</b>	<b>6.0%</b>

In addition to the increase listed above, there are other discretionary revenues that bring the total increase in discretionary revenues to approximately \$2.7 million. Furthermore, A-87 charges which are charges to other non-general fund departments for administrative services has increased by approximately \$1.4 million. This is a mechanism used to recover cost of services provided by general fund departments to non-general fund departments. Overall, the

general revenues are estimated to increase by approximately \$4 million dollars for FY 22/23 as compared to the FY 21/22 Adopted Budget.

### **Contingencies**

The recommended budget includes \$2,649,958 in appropriations for contingencies. The Board budget policy requires 1% of General Fund operations. For fiscal year 22/23 that amount would be approximately \$1 million dollars. The additional increase was set aside as part of the Budget Team's recommendation and the direction provided by the Board of Supervisors on June 7<sup>th</sup>, 2022. This amount is less than what was estimated at the June 7<sup>th</sup> meeting and will be detailed below as part of the Information Technology budget.

### **County Administrative Office**

There is an estimated \$40,000 reduction in cost to the CAO cost center this year. The FY 21/22 budget included the cost of a new vehicle. There are no vehicles budgeted for this fiscal year for the CAO cost center.

### **CAO- Office of Emergency Service**

There is an increase in cost for the OES cost center this fiscal year of approximately \$60,000. This is due to insurance claims against the county that increased cost of liability insurance. Additionally, there is an addition of grant funded Administrative Analyst I/II. The details of this addition are listed in Attachment B.

### **Master Stewardship Grant**

As previously stated, the expected increase in projects and related costs are increasing by approximately \$4.5 million which is covered by increased grant fund dollars. Also, in this cost center, there is a recommendation to add an Administrative Analyst I/II which will be covered by grant funds. That addition is listed in Attachment B.

### **Assessor -Recorder**

As with many other departments the Assessor – Recorder's office does have a rise in salary and benefits cost. However, beyond that, the most significant change is an increase of \$196,000 for a software upgrade. The software currently used by the Assessor-Recorder's office is outdated and no longer supported by the vendor.

### **Office of Revenue Recovery**

Within the ORR cost center, there is a decrease in revenue of approximately \$62,000 due to an estimated reduction in fees that can be collected as fines and penalties to changes in legislation.

### **County Counsel**

This cost center has an increase in expense of approximately \$115,000. This is due primarily to the recommendation to add a Deputy County Counsel to this cost center. However, that cost is offset using grant dollars from the Master Stewardship Agreement. In addition to the new Deputy Counsel position, it is recommended that the Executive Legal Assistant classification be modified to make this a flexibly staffed position to an Executive Legal Assistant I/II. This will result in the Executive Legal Assistant being reclassified as an Executive Legal Assistant I and the County Counsel Attorney Assistant being reclassified to an Executive Legal Assistant II. Both classifications will also become FLSA exempt classifications. These changes are listed and detailed in Attachment B.

### **Human Resources**

The Human Resources cost center has an increase in cost of approximately \$465,000 as compared to the 21/22 Adopted budget. This is due to a department reorganization that was previously approved by the Board of Supervisors as well as an addition of \$150,000 for outside counsel for upcoming labor negotiations. Through the department reorganization, a Senior Human Resource Analyst was added with the intent of eliminating the Human Resource Analyst II position upon an upcoming retirement. This budget does include the cost for dual filling those positions for a short period of time. Additionally, as part of the reorganization, the Director of Employee Development position in the Employee Development cost center was converted to Workforce Planning & Employee Development Officer. This included re-allocating that position from the Employee Development cost center to Human Resources cost center. As a result, there is an offsetting reduction in cost to the Employee Development and Recognition cost center. This budget also includes \$50,000 for part time salaries for the services of a retired annuitant. This budget does also include a request to convert the HR Technician position to a Senior HR Technician. The details of that conversion are listed in Attachment B.

### **County Clerk-Elections**

For fiscal year 22/23, revenues are expected to decrease by approximately \$209,000. This is due to a reduction in state reimbursement for the election cost for FY 22/23. With the decreased revenue, it is also estimated that expenses will decrease by approximately \$142,000. This increased the cost to the General Fund by approximately \$67,000.

## **Facilities Management**

As part of the recommended budget, it has been recommended that the Facilities Manager Position be converted to a Facilities Director, making that position a true department head classification. This will help streamline processes and give the Facilities Management Department greater flexibility while creating capacity in the County Administrators Office, which has acted as the Department Head for Facilities Management for many years. While this conversion does increase the cost of that position, the overall estimated cost for salaries is expected to be slightly lower than the prior fiscal year due to vacancies. Overall, the cost for Facilities Management is increasing by approximately \$200,000. This is due primarily to an increased cost of electricity. While the County does benefit from discounted energy rates through Tuolumne Public Power Authority, those rates have increased significantly and are expected to continue to increase.

Included in this budget is \$500,000 for building maintenance. This is a reduction of approximately \$434,000 from the prior fiscal year estimate. It is anticipated that staff will request to increase this during the Adopted Budget process. This covers routine maintenance and repairs throughout county facilities, it does not include capital improvements or projects. Those expenses are included in the Capital Budget.

## **Economic Development and Promotion**

Through an agreement with Visit Tuolumne, Tuolumne County passes 25% of the 10% Transient Occupancy Tax (TOT) onto Visit Tuolumne for marketing services for Tuolumne County to increase tourism. The total TOT rate is 12%, however, the contracted amount is based on the previous 10% rate. This fiscal year, it is estimated the amount paid to Visit Tuolumne will be \$1,750,000. The current agreement expires on June 30<sup>th</sup>. However, the Board of Supervisors will hear an agenda item on the 21<sup>st</sup> of June to amend that agreement, extending the term for 6 months.

## **Innovation and Business Assistance**

During FY 21/22 the Director of Innovation and Business Assistance secured a \$500,000 grant from the Economic Development Administration's CARES Act NOFA to develop the Central Sierra Broadband Roadmap. The Roadmap will create future policies, permitting standards, priorities, and expand business access for Broadband Infrastructure in the Central Sierra Region of California. Those funds and expenses will continue into the FY 22/23 and are included in this budget. Additionally, following the resignation of the Director of Innovation and Business Assistance director positions, that position was reclassified to a Senior Administrative Analyst during the June 7<sup>th</sup> Board of Supervisor Meeting. This created a savings of approximately



\$76,000 for FY 22/23. This is due to the reduction in cost for the classification, benefit cost, and the position will not be filled right away as recruitment and hiring will still need to occur.

### **Information Technology**

The most significant cost increase in the Information Technology budget is related to the implementation of a new Enterprise Resource Planning (ERP) software. This software is used for the county's finances, human resources, and payroll. This is a separate software from the county's budgeting software.

In November of 2017, the County entered into a 5-year agreement with Superion for the new ERP software. The total cost of the 5-year agreement was approximately \$2.7 million dollars. This included the implementation and ongoing maintenance and support. Superion was acquired by Central Square shortly after signing the agreement. Prior to signing the agreement, the County had been and continues to use Oracles PeopleSoft software. Due to multiple delays in the implementation of the new ERP system, the county has had to continue to pay software maintenance fees to Oracle until we can fully go live with Central Square. While we have been able to start using the Finance system this fiscal year, the HR and Payroll system still does not work correctly. The Oracle contract will need to be renewed on July 1st, 2022 in order to continue using the HR/Payroll product.

To avoid having to pay Oracle for the 22-23 Fiscal Year, the County would need to fully go live with Central Square by July 1<sup>st</sup>, 2022. It is not likely that this will occur due to delays with Central Square. Over the course of the last several years, most delays in implementation have been due to Central Square software issues or availability of staff from Central Square. As a result, an additional \$330,300 has been added to the budget to ensure the county can continue to use Oracle's HR and Payroll software. This amount was reduced from the estimated contingencies that was reported to the Board on June 7<sup>th</sup>.

This was not discussed at the Board's June 7<sup>th</sup> meeting because at that time, Central Square had stated they would be able to have the county live on the new system by the end of the fiscal year. The lack of available staff from Central Square and continued software issues will now prevent that. Staff convened a meeting with top executives with Central Square on Wednesday June 15<sup>th</sup> to discuss concerns with the delay and the costs the County will incur as a result. Another meeting has been scheduled for Monday June 20<sup>th</sup>. Staff will provide an update during the Board meeting.

The FY 22/23 recommended budget also includes a recommendation to convert the vacant Security Administrator classification back to a Network Analyst II. This position was converted to a Security Administrator during the 21/22 FY, however, the recruitment for this position was unsuccessful. It is also requested that an IT Technician classification be added. This position will

be used to manage the audio-visual portion of committees and commissions meetings, allowing for hybrid meetings. This position will also be able to provide additional support to Board meetings and departments. These changes can be viewed in Attachment B

### **District Attorney's Office**

One of the single largest increases in the District Attorneys cost center is an increase of \$153,000 for liability insurance. This again is due to recent insurance claims against the District Attorney's office and the rising cost of liability insurance.

### **Sheriff-Coroner**

The Sheriff-Coroner budget includes an increase of approximately \$730,000 in salaries and benefits. This is a result of recent bargaining, step increases, and a departmental re-organization that occurred during FY 21/22. However, there were other decreases in expenses as compared to the FY 21/22 Adopted budget that bring the total increase in expenses down to approximately \$500,000. The FY 21/22 Adopted Budget included the initial purchase of body cameras and additional Tasers. It is only the maintenance cost for those devices that is included in the 22/23 FY budget. That cost is approximately \$113,000.

The recommended budget also includes a request to eliminate a vacant Corporal position and to unfreeze and fill a vacant Sergeant position. Originally this position was frozen with the intent to eliminate as part of the Sheriff's office reorganization. This change can be viewed in Attachment B.

### **County Jail**

The FY 22/23 Recommended budget for the Jail includes an increase of approximately \$700,000 in salaries and benefits. However, regular salaries have decreased by approximately \$40,000. This is a direct result of current vacancies and the estimated time it will take to recruit and hire individuals into those positions, which is evident in the cost of overtime. For FY 22/23 overtime has increased by \$275,000 due to staffing issues. Additionally, there was an increase of approximately \$400,000 in workers compensation insurance.

To offset the cost of the Sheriff's re-organization of his departments that occurred in the 21/22 FY, revenue from housing state inmates during COVID-19 was placed into a trust. The intent is to draw from those funds over the course of 4 years, including FY 21/22. The 22/23 Recommended budget includes approximately \$81,000 of revenue from that trust.

## **Probation**

Probation revenues are stable and strong due to ongoing state and grant allocations as well as new funding (through FY 25-26) for AB1869 backfill. AB1869 provides fiscal relief for the repeal of fees specified in Chapter 92 of the Statutes of 2020 (Government Code section 29553). Projections are steady for 2011 Realignment (JJCPA, JPA, JRG, and CCP) and SB678. In addition, Pretrial/CESF/JAG grant statuses are all ongoing. Probation also re-budgeted remaining PRCS COVID early release funds.

Probation expenses are expected to increase by approximately \$467,000; however, some expenses will be offset by AB1869, AB109, SB678, and Pretrial revenues. This will reduce the cost to the county by approximately \$107,000. Supervision costs are increasing due to an increase in drug testing supplies/lab confirmations, electronic monitoring, and salaries/benefits. Probation also anticipates a continued partnership with Behavioral Health to provide an onsite Behavioral Health Worker or Clinician (depending on staffing) to provide a smooth transition and access to necessary behavioral services and to support success in the community while managing to meet obligations related to any judicial requirements in addition to the challenges of behavioral health disorders. This position will be expensed to both Probation and Behavioral Health cost centers and offset by SB678 revenue.

The recommended budget includes a request to eliminate a grant funded Probation Technician and to convert another grant funder Probation Technician to a Deputy Probation Officer. The details of these changes can be viewed in attachment B.

## **Juvenile Hall**

The Chief Probation Officer has been working diligently to increase revenues in the juvenile hall. The Mother Lode Regional Juvenile Detention Facility (MLRJDF) revenues are stable and strong due to increased State allocation projections and new funding. Most notable increases are due to out of county placements for a daily rate increase. Contracted beds will increase from \$150 to \$175 per day and non-contracted beds will increase from \$175 to \$210 per day. This is anticipated to generate roughly \$146,000 in new revenue. Additionally, the MLRJDF will receive a base allocation of \$250,000 annually for Division of Juvenile Justice (DJJ) realignment (JJRBG). The purpose of this funding is to provide county-based custody, care, and supervision of youth who are realigned from the state (DJJ) or who were otherwise eligible for commitment to the DJJ prior to its closure. Of the \$250,000 that the county will receive for FY 22/23, only \$50,000 will be budgeted for revenue and the remaining will be moved to trust for future DJJ supervision. Finally, ongoing YOBG and Camps/Ranches revenue projections remain steady.

The Mother Lode Regional Juvenile Detention Facility (MLRJDF) expenses are expected to increase by approximately \$167,000, however, will be offset by additional revenue. With the

increase in revenue, the cost to the county for FY 22/23 is expected to decrease by approximately \$408,000 as compared to the prior fiscal year. This brings the cost of operation of the Juvenile Detention Facility to approximately \$777,000 for FY 22/23.

Probation also anticipates a continued partnership with Behavioral Health to provide an onsite Behavioral Health Clinician (depending on staffing) to provide counseling services and other evidenced based services to youth while incarcerated. In addition to in-custody services, the BH Clinician also provides aftercare services and continued therapies to youth re-entering the community after leaving the MLRJDF. This position will be covered by JJCPA/YOBG funding. Finally, due to a contract increase for in-custody medical expenses, the MLRJDF has incurred a portion of the medical expenses for detained youth that were previously covered by Public Health.

It is recommended, as part of this budget, to add a Senior Juvenile Corrections Officer. The details of this addition can be viewed in Attachment B.

### **Agriculture and Weights and Measures**

State Agriculture Revenues are expected to decrease by approximately \$75,000 as compared to the 21/22 FY adopted budget. However, for the 21/22 FY adopted budget, the State Agriculture revenue was higher than it was in prior years. The reduction in revenue brings that amount to a level that was consistent with prior years.

### **Community Development Department**

Included in the FY 22/23 Recommended budget is \$200,000 for the ALUC Plan update, \$60,000 for Environmental Health Director Consulting and \$60,000 for Environmental Health Specialist Contractors. Currently, there are 4 vacancies within this cost center, all of which are being recruited for and are included in the budget at a full year's salary. If staff can fill these vacant positions, the costs for Environmental Health Director Consulting and Environmental Health Specialist will decrease.

This budget also includes the conversion of the Chief Building Official to an Assistant Community Development Director, the conversion of the Senior Environmental Health Specialist to a Principal Environmental Scientist, the addition of a Housing Development Specialist, and the approval of an Environmental Health Technician classification. The details of these personnel changes can be viewed in Attachment B

### **Animal Control**

The Animal Control Office cost center is expected to have an increase in cost of approximately \$45,000. This increased cost includes the purchase of additional computers as well as mobile

data computers for the Animal Control vehicles. Also included in this budget is \$5,000 of matching funds for an animal control trailer that will be purchased primarily with OES grant dollars. Lastly there is increased cost associated with fuel built into this budget.

### **Homeless Advocacy & Outreach**

The Homeless Advocacy & Outreach cost center is primarily grant funded with a Coordinator and a Social Worker. However, the grant funds do not cover the cost of the coordinator classification, instead those grant funds are used primarily for direct services. As a result, there is a net cost to the county of approximately \$93,000 for FY 22/23.

### **Standard Park**

The most significant increase in this cost center is for the purchase of additional turf maintenance equipment that will dramatically decrease the amount of time that staff will need to spend on the care and maintenance of the fields. Overall, there is an increase of approximately \$50,000 as compared to the FY 21/22 Adopted Budget.

### **Transfers Out**

Transfers out of the General Fund to other funds have decreased by \$468,000. The most significant change was the reduction to the transfer out to County Capital. The FY 21/22 budget included a transfer out to capital in the amount of almost \$1.6 million. This fiscal year there is only \$750,000 being transferred out to Capital. It is anticipated that staff will recommend increasing this amount at the Adopted budget due to several capital projects that will need to be addressed. This budget also includes a transfer out to Pine Mountain Lake airport in the amount of \$92,000. This is to cover the ongoing operations as well as lighting upgrades and repairs.

## **SPECIAL REVENUE FUNDS**

### **Public Works Fund**

The Public Works Fund, which includes cost for road maintenance projects, has decrease by approximately \$1 million dollars as compared to the 21/22 FY Adopted budget. The largest decrease was in Rehab and Surface treatments. However, there is approximately \$1.3 million dollars in the American Rescue Plan Act Fund for road projects. Larger capital road projects are in the Road Capital Budget and a detailed list of FY 22/23 recommended projects can be viewed in Attachment D. There is a request to eliminate one vacant position in the Public Works Fund as detailed in Attachment B.

## **County Fire Fund**

The Tuolumne County Fire Department budget has a reduction of approximately \$770,000. The FY 21/22 Adopted Budget included approximately \$898,000 in vehicles. The FY 22/23 Recommended budget does not include any new fire vehicles. There is an increase in the CalFire contract for the addition of the Groveland Station, however, that cost is incurred at this time in the American Rescue Act Plan fund. There is also a recommendation to convert the Administrative Assistant to an Assistant to Department Head in the Fire Fund as outlined in Attachment B.

## **National Disaster Resiliency Competition Fund Community Resiliency Centers**

There are two cost centers that contain funding and appropriations to build a community resiliency center (CRC) in Tuolumne City and another in Groveland. Construction began in 2021 and is expected to be complete later this year. The construction of the two CRC's is 100% funded by State and Federal grant funds. However, there are some additional cost for furnishing that are not covered by grants that have been included in the America Rescue Plan Act Fund. Additionally, in the prior budget, a Capital Projects Director Position was included in this fund. That position and its cost have been reallocated to the County Capital Fund.

## **American Rescue Plan**

Through the America Rescue Plan Act (ARPA), Tuolumne County will receive a total allocation of approximately \$10.6 million dollars over 2 years. In May of 2021 the first allocation of \$5.3 million was received. While some of those dollars have been expended or allocated, it is estimated there will be end the fiscal year with approximately \$1.3 million remaining. While the second allocation has not yet been received, it is anticipated those dollars will be received in the coming weeks.

The FY 22/23 Recommended Budget includes a total of \$3.16 million in ARPA Fund expenses. This leaves approximately \$3.4 remaining in the ARPA Fund Contingencies for many of the same limitations that came with the CARES Act funding apply to the ARP funds as well. Staff will return to the Board as part of the Adopted Budget development process to get additional direction on the use of ARPA monies. The details of what is included in the FY 22/23 Recommended Budget is as follows.

ARPA Fund			
Groveland Fire Staffing	\$1,000,000	Grant match for EOP Update	\$75,000
Technology/Broadband Project Manager	\$115,000	Consultant for Title 17 Update	\$75,000
Kewin Mill Road Paving Project	\$1,000,000	Consultant to Update Personnel Policies	\$10,000
Jamestown Rd. Triple Cape Seal Project	\$335,000	Grant writer for Housing Plan	\$8,000
Housing Specialist for 1 year	\$103,000	Standards of Coverage Evaluation	\$250,000
Animal Control vehicle	\$87,000	Bargaining	\$100,000
<b>Total FY 22-23 Expenses</b>			<b>\$3,158,000</b>

### **Health and Human Services Agency**

During times of crisis, the services offered by Health and Human Services Departments are the safety net for individuals experiencing varying levels of crisis (health, financial, etc.). During these times, the need for these types of services also escalate. Developing the budget for the Health and Human Services is complicated and takes time as the final time study for the fiscal year cannot be completed until after June 30 each year. This means the budget for these funds is not final until the adopted budget.

The three primary funds in the Health and Human Services are Social Services, Behavioral Health and Public Health. Each of these funds are separate and distinct from the General Fund and are only to be used for the services provided in each of these departments. The good news is that they often end the year with significant fund balances, which helps to balance the next fiscal year.

The recommended FY 22/23 budget includes several requested personnel actions throughout the various HHSA departments. The details of those changes

### **Department of Social Services**

The Social Services department has historically had a difficult time filling and retaining staff, primarily due to the nature of the work. As of the writing of this memo the department has 19 vacant positions. The department expects to use 57% of their beginning fund balance of \$2.4 million to balance for FY 22/23.

There are several personnel changes that have been requested that can be viewed in detail in attachment B. These changes are being requested to help streamline processes, remove redundancies, and to create greater flexibility within the department.

### **Department of Behavioral Health**

The Behavioral Health department has had significant difficulties with recruitment. As of the writing of this memo, the department has 18 vacancies, six of which are clinicians. The

department is expecting to use 52% of their beginning fund balance of \$1.7 million to balance the FY 22/23 Recommended Budget.

There are several personnel changes that have been requested that can be viewed in detail in Attachment B. These changes are being requested to help streamline processes, remove redundancies, and to create greater flexibility within the department.

### **Department of Public Health**

The Public Health Department has been the center of the Health Emergency for well over two years now. The impact to their staff and the services they provide has been tremendous. The Health Department has received several grants to support efforts related to COVID-19 allowing them to hire additional staff to meet the demand for services and information. This department has 10 vacancies as of the writing of this memo. The Public Health department is using 48% of the estimated \$721,000 of beginning fund balance to balance the Recommended 22/23 FY budget. This budget also includes several personnel changes as outlined in Attachment B.

## **CAPITAL FUNDS**

### **Public Works Projects**

The Public Works Projects cost center includes approximately \$4.9 million in road projects for the FY 22/23 recommended budget. The majority of the revenue for these projects comes from the Federal and State governments. A detailed list of proposed projects can be viewed in Attachment D

### **County Capital**

The County Capital cost center is used for county buildings and facilities. This fund is used to pay for major capital improvements. There are several projects that were proposed consisting primarily of ADA upgrade, construction projects, repairs and upgrades to Columbia Pool, HVAC replacements, Roof replacements, and other remodel activities such as flooring and repainting. This recommended budget has contribution of \$750,000 from the General Fund. The total for all projects requested was approximately \$4million. A detailed list of recommended projects to funded can be viewed in Attachment E.

No funding has been put aside for remodeling the recently vacated court houses, the Tuolumne General Campus, or any of the other facilities currently being evaluated in the space needs study. It is anticipated that estimated cost for those remodels will be available during the development of the adopted budget.



## **ENTERPRISE FUNDS**

### **Columbia Airport**

There are no significant changes to this budget.

### **Pine Mountain Lake Airport**

This budget includes a transfer out of the General Fund to the Pine Mountain Lake Airport Enterprise fund off approximately \$92,603. Of that, \$22,000 is for upgrades to the runway lighting to allow users to continue to land their aircraft at night. The remaining \$70,603 is to offset the cost of ongoing operations of the Pine Mountain Lake Airport.

### **Ambulance**

This budget does include a rate increase of 5% for the contract services with Manteca Ambulance District. This increase was expected and is part of the contractual obligation with MDA. The rate increase is driven by the increase in the Consumer Price Index but will not exceed 5% in any given year. This budget also includes a rate increase for services provided which is also tied to the CPI and is authorized by the Tuolumne County Ordinance code.

### **Solid Waste Compliance**

In prior years the Solid Waste Compliance Fund was a special revenue fund. However, because this fund is sustained by user fees, it has moved to an enterprise fund. There are no major changes within the Solid Waste Compliance fund for FY 22/23.

## **INTERNAL SERVICE FUNDS**

### **Unemployment**

The number of claims to unemployment was significantly less than anticipated the last two fiscal years creating a large fund balance to carry forward. The large carryover fund balance reduced the cost allocated to departments.

### **Workers Compensation**

This budget includes an increase of approximately \$550,000 in the Workers Compensation Fund. The two largest increases are the cost of A-87 of approximately \$300,000 and the increase estimate cost for public safety workers who are unable to work due to work related injuries. When these individuals are unable to work due to work related injuries, their salaries

are charged to the Workers Compensation Fund and not the department where the positions are allocated.

**Liability**

Liability Insurance is expected to increase by approximately \$805,000 in FY 22/23. This is due to an increase cost of premiums and increase cost of A-87 charges.

**Funds Overview**

All Governmental, Enterprise and Internal Service funds are balanced. Detail reports will be provided separately.

**Contingencies by Fund**

The table below provides the contingencies in each fund. It is important to note that the beginning fund balance and contingencies changes drastically for Social Services and Behavioral Health between the Recommended Budget and the Adopted Budget.

<b>Fund</b>	<b>Amount</b>
General Fund	\$2,649,958
Public Works	\$923,941
Monument Preservation	\$15,500
Public Health	\$370,399
Behavioral Health	\$838,041
Behavioral Health Housing	\$22,016
Department of Social Services	\$1,044,345
American Rescue Plan	\$3,284,345
Ambulance	\$2,971,180
Solid Waste Compliance	\$818,100
<b>Total</b>	<b>\$12,937,825</b>

**PERSONNEL ACTIONS**

The FY 22/23 Recommended Budget Personnel Changes spreadsheet and associated job description specifications are in Attachment B. Also, the Final Allocated Positions by Department Chart are in Attachment C. In total there are 6.2 FTE’s being requested for the next fiscal year across all funds. The addition of 5 of those positions are in the General fund, of which 3 are grant funded and two are funded using ARPA dollars.

## **Recommendation**

It is recommended that your Board;

1. Approve the FY 2022/2023 Recommended Budget as presented, excepting those actions already approved for the Office of the Public Defender;
2. Approve hiring incentive for Recreation positions, up to \$20,000; cost to be included in the Adopted Budget
3. Approve all staffing changes as outlined in the memo and associated attachments; and
4. Authorize the CAO to approve acquisition of fixed asset and capital projects prior to final budget hearing.

A copy of the full budget package (i.e. budget memo, attachments, controller reports and line item details) can be viewed at the following link:

<https://www.tuolumnecounty.ca.gov/budget>



Tracie M. Riggs  
County Administrative Officer

## County Administration Office

“We Support the Board of Supervisors in achieving their goals through service & collaboration with the County Departments and the Community”

June 21, 2022

Assistant County  
Administrator  
Eric Erhardt

Capital Projects  
Director  
Maureen Frank

Senior Administrative  
Analyst  
Liz Peterson

Office of Emergency  
Services Coordinator  
Dore Bietz

Homeless Services  
Coordinator  
Michael Roberson

Purchasing &  
Contract Analyst  
Simi Bhangoo

Administrative  
Analysts  
Mervet Mitri  
Tracey McKnight  
Mark Fischer

Executive Assistant/  
Deputy Clerk of the  
Board  
Christina Cunha

Board Clerk  
Heather Ryan

Executive Clerk  
Jessica Alley

TO: Board of Supervisors

FROM: County Administrative Staff

SUBJECT: FY 2022/23 Public Defender and Conflict Counsel Recommended Budget

The recommended budget for FY 22-23 for the Public Defender's Office includes a total of \$1.8 million in appropriations and 9.0 FTE's. This is an increase of approximately \$195,000 over the prior fiscal year Adopted Budget. The majority of this increase is due to the changes in salaries and benefits. The impacts as noted in the 22/23 Recommended Budget memo on salaries and benefits are also impacting the Public Defender's office. The details of those increases can be viewed in the budget detail report. Approximately \$45,000 of the increase is due to an increase cost of PERS fixed cost and another \$23,000 is due to estimated increases in employee group insurance.

The Conflict Division recommended budget for FY 22/23 is approximately \$129,000 less than the FY 21/22 Adopted budget and includes 2 FTE's. This is due mostly to an anticipated decrease in contract services for 3<sup>rd</sup> level conflict counsel. In FY 21/22 the contract amount was increased significantly due to some extraordinary cases that were progressing through the judicial process.

### **Recommendation:**

Approve the Fiscal Year 2022-23 Recommended Budget limited to the Office of the Public Defender and Conflict Counsel, including all personnel actions outlined in the memo and associated attachments related to those offices only.